



State of Utah

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March 14, 2003

TO: Minerals File

FROM: D. Wayne Hedberg, Permit Supervisor 

RE: Site Inspection Memo, Atlas Mining Company, Dragon Mine, S/023/080, Juab County, Utah

Date of Inspection: February 24, 2003

Purpose of Inspection: To document mine activity status, based upon recent newspaper articles and media inquiries

Time of Inspection: 2:45 – 4:00 p.m.

Weather conditions: Overcast and light flurries, some snow on ground

Participants: Wayne Hedberg - DOGM

Getting to the Site:

An inspection was conducted of this site to document the activity conducted as a result of our approval of the small mine permit application. The site is located in the NW/4 of the NE/4, Section 31, T10S, R2E, SLBM, Eureka Quadrangle. Access to the site is obtained by turning east onto an old paved road exiting State Highway 6 at a propane tank facility located immediately adjacent (north) to the reclaimed North Lily Heap Leach site. Travel east along the paved road approximately two miles where the asphalt will end and the road splits off to the right. Proceed straight ahead through two gates then down into the old Dragon Mine Pit. The upper gate was open (w/new padlock & chain hanging) and is about 0.1 tenth mile above the 1st gate (propped open with no locks). There was no one present and no ongoing activity at the site at the time of my inspection.

Observances:

My first stop was on an upper bench area near the NW end of the Dragon Pit. A dirt road leads to this area wrapping around the pit to the north. Turn left just before you pass through the 2nd gate that leads down into the bottom of the pit. I walked around this area and noted recent dozer work improving the access road and preparing a few drill pad areas. Evidence of some backhoe work was also noted as a couple test/bulk sample pits were observed. Photographs were taken of these disturbances and of the existing conditions of the Dragon Pit. One possible drill hole location was also noted and photographed. It was open at the surface, but appeared to be plugged about one foot deep.

My second stop was at another apparent drill hole location where I noted an open bag of Baroid Pac-L lying on the ground. The site is located just west (~100 yds?) and downhill of the first site inspected. It is just off the left hand side of the road on a flattened area of old mine waste. It was difficult to tell if this site had been drilled for sure as no evidence of the drill hole or cuttings was clearly evident. Photos were taken of the site disturbance.

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My third stop was in the bottom of the Dragon Pit. There is an old steel pressure? Tank, a large headframe, mine shaft and a hoist house still in the pit. The facilities are surrounded by a chain link fence, but it is open in several places. Direct access to the main shaft is still secured by heavy steel mesh deck material that is bolted down to the timbers surrounding the shaft. Several photos were taken to document the existing conditions. The hoist house is wide open on the west end allowing unrestricted entrance to the structure. I walked up onto a bench located a short distance (north) from these facilities and noted an area where a backhoe had recently excavated a small test pit exposing a fresh face in the highwall. A number of ~1-inch borings had been drilled into the fresh surface, presumably for core-sampling purposes. Photos were taken to document this disturbance.

As I drove back out of the pit, I noted a concrete explosive storage magazine located immediately adjacent to the 2nd gate. It was secured with a steel door and double lock boxes that had new padlocks installed. I photographed this facility before leaving the site at about 4:00 p.m.

Recommendations:

Perform periodic inspections to confirm mining activities continue to be conducted in accordance with the approved mine plan.

jb

cc: Tom Munson, DOGM

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